11:League of Nations G-4 (no date) 1939 RB5 Lithuanians RB5

452 The number of loans granted by credit establishments (groups 2-4) is 121,258. Many agriculturists have obtained loans from the three groups of establishments. The number of agriculturists who have obtained loans is therefore less than the actual number of loans. Only 30% of the Lithuanian agriculturists have contracted loans with credit establishments. The area of land mortgaged to the Agrarian Bank is 607,000 hectares. It is usually the larger landowners who apply for loans to the Agrarian Bank.

426 Doubtless farmers have also contracted debts with private individuals, but there is no statistical record of these. According to custom, the eldest son pays over a portion to each of his brothers and sisters and keeps the farm himself. As a rule, the farmer has no ready money and undertakes to pay these portions by fixed instalments ; the farm thus becomes heavily encumbered.

During the economic depression, the farmers were unable to meet their obligations, owing to the drop in agricultural prices ; the Government therefore came to their assistance.

In 1932, a list was drawn up of non-distrainable live-stock belonging to landowners. Farmers were protected from the forced sale of their farms by auction on account of debts contracted before February 1st, 1934, with private credit establishments or individuals. Where debts did not exceed 90% of the value of the agricultural immovable property, they had the right to apply to the competent court to suspend forced sale by auction. The court could do so for a year and a-half, to enable the debtor to come to an agreement with his creditors. Farmers were given facilities for repaying their debts to private persons in the form of mortgage bonds repayable by the Agrarian Bank at their nominal value. With this object, the Agrarian Bank issued a series of bonds, quoted at a fairly low rate on the Kaunas Exchange (78). Farmers could thus not only apply to the Agrarian Bank for loans in the form of mortgage bonds but also could purchase mortgage bonds on the market at a low rate, with which they were able to repay their debts to private individuals (but not their debts to the State or to credit establishments).

According to the provisions now in force, the courts may also decide as to the extension of the time-limit for the repayment of farmers' promissory notes.

Farms may only be sold by auction provided the highest bid is not less than 50% of their value. The value of the farm is assessed by the " viršaitis " (chairman of the executive of the municipality) or by the bailiff, in cases of forced sale.

Where the farmer has to pay over shares under the terms of a will or donation, he need only pay 60% in cash if the obligation arose before January 1st, 1931, or 70% if it arose prior to the period December 31st, 1930, to December 31st, 1932.